Interview: Matthieu Brand – Managing Director, World Courier AmerisourceBergen, France



In our business, you have to be exact. We can deliver large consignments into a depot or deliver medicines to patients' homes at exact times, 24 hours a day.

04.07.2016

Tags: Pharma, Pharmaceuticals, Logistics, World Courier, AmerisourceBergen, France, Matthieu Brand, Strategy, R&D, Innovation, Paris, Lyon, Clinical Trials, Reverse logistics, Interview, Insight, Exclusive, executive, Free

Matthieu Brand, who has been heading the French affiliate of World Courier, AmerisourceBergen for 2.5 years now, shares with great passion the bright future lying ahead of the company in France, their "a la carte" logistics service offering in the fields of clinical trials and R&D, as well the ambitions to become a one-stop-shop of logistics, storage and reverse logistics, thanks to integration with parent company AmerisourceBergen.

What have been your main priorities since being appointed Managing Director of World Courier's French affiliate in January 2014?

AmerisourceBergen acquired World Courier in 2013 and my first priority after becoming Country Manager was to integrate their systems with World Courier's own in terms of finance, sales, and HR and conform to their standards. As we are based in France, I was also focused on communicating with the French staff and informing them about AmerisourceBergen and the future of our organizations.

My second priority has been to grow the business and build partnerships with the main actors in the market. We have for example signed global contracts with large pharmaceutical players as well as with biotechs.

Compared to some of the bigger logistics players, you have traditionally offered a more specialized and ‘á la carte’ service. How would you describe the scope of your service offering today?

We have continued to offer this ‘á la carte’ service which is at the core of our business and the source of our reputation: doing what others cannot. We have very high quality standards which are important for us to maintain during a period in which the pharma industry requires regulatory compliance. When a pharma company decides to subcontract logistics, they have to have total confidence in the subcontractor. Therefore we have reinforced the quality of our service offering in order to remain the main actor in this market.

We have continued to focus on clinical trials and R&D. We focus not only on clinical trials themselves, but all the components that are shipped throughout different sites. Many of the large pharmaceutical companies have sites all over the world and send components between them.

[Featured_in]

The main reason why we are a preferred supplier for many companies is our compliance with international standards and ability to maintain temperature control throughout the whole transport process. We have more than 140 offices worldwide in over 50 countries and are the only premium company with such an extensive network. Our presence is strong in areas where clinical trials are conducted such as Asia and Eastern Europe and the same quality standards are applied throughout the organization. We can replace gel packs or re-ice a package held in a country like China with the same equipment and standards as in the US or anywhere else.

AmerisourceBergen recognized our expertise in temperature control and that we were the market leader in this area. Therefore, they have supported our continuing practices and maintenance of control of the entire supply chain.

How would you characterize the level of receptiveness of pharma companies in France to the outsourcing of logistics?

Pharma companies in France are outsourcing more and more. The situation is more complex than before; in the past, products were generally only shipped at two temperatures; -80̊ (with dry ice) or between 2̊ and 8̊. In 2006 the regulation was changed to counter the practice of storing at -20̊, transporting at -80̊, and then storing at -20̊ again. We therefore created new protocols and were the first to be able to ship at -20̊. We also comply with regulation passed in 2010 for transportation at ambient temperatures of between 15̊ and 25̊; for example when transporting medicine from a

cold to a hot country. We were also the first to transport medical devices and drugs at -80̊ on commercial flights. We are the leaders in this market.

How is the model of healthcare logistics changing? Is “patient-centric” home-care transforming your business model?

At the moment, in France we are not allowed to do this, due mainly to European regulation. We have participated in various conferences on this topic and, of course, are able to supply the logistics element of home-care. We can both deliver parcels to patients’ homes and recover samples from the patients (reverse logistics).

ASD Healthcare, also a part of AmerisourceBergen, offers *myCubixx*, a small refrigerator that can be kept in a pharmacy or in a patient’s home, scans the medicines inside, and automatically orders new supplies when specific stocks are low. Patients therefore do not need to go to the hospital to collect their medicines. World Courier should be able to broker the supply of such devices, and provide a one-stop-shop of logistics, storage, and reverse logistics directly to the patient.

As pharma companies look to optimize their costs, how can you convince them of the value of your comparatively expensive customized offering?

In our business, you have to be exact. We can deliver large consignments into a depot or deliver medicines to patients’ homes at exact times, 24 hours a day. We offer a fully customized solution, sometimes with one parcel per truck, which is why we may be perceived as comparatively expensive. We are positioned on the premium side without a doubt.

In terms of clinical trials, there is a lot at stake and the main priority is quality. The risk should be brought to at an absolute minimum. That is the reason why we are the leaders in this market. Of course there is competition from integrators, but their specialty does not lie in clinical trials. We have been the market leaders for 30 years and will remain there as pharma companies continue to prioritize quality over costs. There is no margin for error in clinical trial products and the consequences are severe if the patient receives the product at the wrong temperature or at the wrong time.

When transporting commercial products the price per unit is generally much lower as they are manufactured on a larger scale. For clinical trials, products are manufactured on a much smaller scale and the unit costs are consequently higher.

[related_story]

What new services are you launching?

We are growing our dedicated pharma service for road transport which is the first of its kind. Many logistics company transport by road but World Courier has decided to implement the same quality requirements as applied for the rest of our offerings specifically for trucks. Eight years ago, we acquired a small fleet of six trucks based in Kent, UK but operating across Europe which has now expanded into a European network of 40, used exclusively for pharmaceuticals, including Investigational Products (IPs).

IPs are a niche product for which there is no established network. We are the main company involved in this sector and follow the same processes as for pharma in terms of clearance and temperature. We are audited by pharma companies for this service and feedback has been very positive.

We are also developing processes for handling commercial products; a relatively new market for us, but a core business of AmerisourceBergen, our parent company. We have launched *Cocoon*, which we first presented in September 2015 in Germany, it is a large temperature controlled box which can be loaded with full pallets and in which the product is surrounded on all sides by Phase Change Materials gel packs. It reduces total shipment costs while ensuring shipment security. Additionally, it maintains temperature approximately 25 percent longer than comparable products on the market while weighing up to 30 percent less. It has been developed internally with our European partners and will be used by World Courier for drugs and clinical trials but also leased commercially. The results so far have been fantastic.

By moving into commercial products, World Courier is entering a much more crowded marketplace. How will the company distinguish itself in this new environment?

As we know all the main companies involved in R&D, we know that the products we ship for clinical trials could one day become commercial products. There is a lot of communication between R&D and production. We are now visiting production sites to promote *Cocoon* and companies are especially interested, particularly in terms of long-distance shipping. You can ship a product in *Cocoon* without opening the doors for five days. We are entering this market with a revolutionary product.

In the past we were specialized in small packages for clinical trials but we now want to use temperature controlled shipping for the IP itself. We have opened 14 strategically located large depots globally and now have the largest depot network in the world. In these depots we store products related not just to pharma but also companies from other industries such as packaging.

For large pharmaceutical companies, we regularly send three to five pallets of product to the depots, which is a very high volume in comparison to a regular clinical trial shipment and this is why we developed *Cocoon* which is able to be loaded with pallets directly. Locally we distribute directly from the depot with small parcels and control all shipments, temperatures, and storage. Quality procedures are standardized all over the network.

We first started using *Cocoon* to deliver drugs to our depots and six months ago, began to lease it commercially in parallel. We have already signed with two labs in France.

World Courier also has a site in Lyon. Could you tell us more about the Lyon operations?

We built new facilities in Lyon because the region is becoming more and more important as a pharma hub. The North of France is managed from our Paris office whereas the South is managed from Lyon. As most of our business is export-oriented, our Lyon location is in Saint-Priest, which is between Lyon–Saint-Exupéry Airport and the smaller Lyon–Bron Airport, the latter being mostly used for private jets. Some of our customers need jets or helicopters, for example if an aircraft is grounded at the main airport. IPs are sent directly to the airport, always on commercial planes, meaning a very short waiting time. Additionally, our facilities in Lyon are specially adapted to receive the larger *Cocoon* boxes.

What is your final message for our readers?

We are always focused on the patient. We are logisticians but our staff knows that there is always a patient at the end of the process. We are an innovative company in a logistics industry where it is not easy to be and we invest a lot of money in innovation. Finally, we want to remain the leader in this market and maintain the highest quality standards.

See more interviews